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The role of employment and work in poverty eradication: the empowerment and advancement of women

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Report of the Secretary-General

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Introduction

1. In addressing the theme "The role of employment and work in poverty eradication: the empowerment and advancement of women", the present report focuses on the interrelationship between employment, poverty eradication and gender equality. The report has been prepared by the International Labour Organization (ILO), with contributions by the Department of Economic and Social Affairs of the United Nations Secretariat, the United Nations Development Programme (UNDP), the World Bank and the International Monetary Fund (IMF).

2. There is a wide consensus on the central role of remunerative employment in poverty reduction, as reflected by the emphasis placed on it in major international conferences and particularly in the World Summit for Social Development in Copenhagen. The Social Summit's commitment 3, contained in the Copenhagen Declaration on Social Development[1] stated that the heads of State and Government committed themselves "to promoting the goal of full employment as a basic priority of our economic and social policies, and to enabling all men and women to attain secure and sustainable livelihoods through freely chosen productive employment and work".

3. At the Social Summit, Governments committed themselves to achieving equality and equity between women and men. The Fourth World Conference on Women, Beijing, 1995, identified as a priority to "review, adopt and maintain macroeconomic policies and development strategies that address the needs and efforts of women in poverty" (Platform for Action, strategic objective A.1)[2] Moreover, it emphasized the need to "develop gender-based methodologies and conduct research to address the feminization of poverty" (Strategic objective A.4).[3] More recently, the Economic and Social Council itself resolved to promote a coordinated and coherent policy of gender mainstreaming and urged that "issues across all areas of (United Nations) activity should be defined in such a manner that gender differences can be diagnosed".[4] This report attempts to integrate this approach into its analysis.

4. The relationship between poverty and employment lies in the extent to which income generated from employment permits workers and their dependants to obtain goods and services necessary to meet minimum needs. Poverty reduction thus calls for the creation of regular and good-quality jobs in the labour market. The interlocking problems of poverty and employment differ between different groups and particularly between women and men. Even in the same socio-economic setting, women and men become impoverished through different processes and face different opportunities and constraints in accessing the labour market. Therefore, a successful poverty reduction strategy must address both broad socio-economic and gender-specific policy issues.

5. The lack of economic opportunities for the poor and inherent economic and societal biases against women have acquired new urgency with the accelerating pace and impact of globalization and liberalization. Policies are needed that protect the poor and vulnerable groups from the volatility of the global economy. Otherwise, the adverse consequences of growing insecurity can quickly outweigh the potential benefits that new markets and opportunities afford for world development and human progress. The recurrent and persistent economic crises of recent years, particularly the Asian experience, serve only to underline the urgency of the challenge facing national and international policy makers in addressing the problems of poverty, employment and gender equality.

6. The report aims to demonstrate the role of employment creation in poverty eradication, taking into account the processes of impoverishment, the new types of vulnerability and

insecurity and the differential impact of these processes on women and men. In the light of key current issues in poverty, employment and gender, it proposes policies for employment growth and poverty reduction, to promote a consensus by the United Nations system on priorities and an agenda for both national and international action.

I. The linkages between the changing face of poverty and new forms of employment

7. During the last half century, humanity has achieved historically unprecedented advances in nutrition, health, education, life expectation and reduction in material poverty. National experiences differ and vary over time but advancements have generally benefited people in both developed and developing countries. People in the developing world have recorded historically unprecedented economic and social progress between 1950 and 1990.

8. Despite this dramatic progress, the global challenge of poverty remains. Over 1.5 billion people still live on less than $1 per day, and the number of absolute poor continues to grow. There are close to 1 billion adults unable to read or write, most of whom are women. Three quarters of a billion people have no access to health services. Malnutrition affects over 800 million people. Many millions lack access to safe water and many millions more have a life expectancy of less than 40 years. The greatest number of people below the poverty line live in Asia, but the depth of poverty, which measures how far incomes fall below the poverty line, is greater in sub-Saharan Africa than in any other region

9. Moreover, the face of poverty is changing: in the next century, a poor person is less likely to be a male smallholder in rural Asia and more likely to be an unskilled, low-wage female worker in urban Africa or Latin America. In addition, child labour remains a serious problem in the poverty agenda today. According to ILO estimates, the number of fully working children between ages 5 and 14 is at least 120 million, or about 250 million if those for whom work is a secondary activity are included. A large number of them work in occupations and industries that are plainly dangerous and hazardous.

A. The relationship between employment and poverty

10. Employment contributes to poverty reduction and promotes equality between women and men. It is, however, important to review at the outset the conditions under which employment has a positive impact on well-being and equality. First, the rate of growth of overall employment must be sufficient to absorb new entrants into the labour force in productive and remunerative work, as well as take care of existing unemployment and underemployment. Second, employment creation should result in the equitable distribution of jobs between those below and above poverty incomes for individuals and families. Third, employment, should, apart from being productive, be linked to a social wage and the enforcement of core labour standards, to ensure adequate remuneration and social protection and decent working conditions. The above-mentioned imply the existence of the right type of macro-economic framework; labour-market and social policies; and efficient labour-market institutions, designed to facilitate equal access to gainful and decent employment for men and women. There is convincing empirical evidence across countries and in different regions of the world that employment does have a direct and positive impact on poverty.

11. In industrialized countries, the lowering of the rate of unemployment is usually poverty-reducing. The exception would be in cases where the decline in unemployment

comes as a result of an expansion in low-paid work that does not provide incomes high enough to lift the workers concerned out of poverty.

12. In developing countries, this presumption does not necessarily hold since the rate of open unemployment is a poor indicator of what the level and incidence of poverty are. This is because regular wage employment is not the dominant mode of employment in developing countries. Instead, the majority of the employed are in some form of self-employment (smallholder farming, petty production in the informal sector). There is considerable underutilization of labour and the returns to work are often insufficient to stave off poverty. For these workers, economic adversity is absorbed through a fall in income, increased work and increased underemployment, and not open unemployment. Moreover, in the absence of unemployment benefits, very few workers, even those in regular wage employment, can afford to remain unemployed. In all these cases, deterioration in employment conditions and a rise in poverty will not be captured in the rate of unemployment.

13. In view of the above, from the standpoint of poverty alleviation, the relevant indicators of changes in employment conditions should include changes in the degree of underemployment (the number of days of work that are available and the earnings from such work) and in the extent of disguised unemployment. Moreover, given that the problem of low-paid wage-employment looms much larger in developing countries than in industrialized countries, even the expansion of wage employment need not automatically lead to a reduction in poverty.

14. It follows from the above that employment growth will be poverty-reducing, only if it is associated with a rapid rate of increase in wage employment that yields incomes above the poverty line *and* a significant reduction in the incidence of underemployment and disguised unemployment. An example of poverty-reducing employment growth occurred in some East Asian countries in the decades before the present crisis. A contrary example would be sub-Saharan Africa in the past two decades where employment growth has been largely in the urban informal sector and in rural self-employment.

B. Feminization of poverty

15. Generally, the link between employment and poverty has been weaker for women than men mainly because of discrimination and disadvantage faced by women in the labour and asset markets. The empowerment and advancement of women in society would therefore largely depend on whether or not the gender gap in wage and employment has been closing. Gender differences in poverty analysis thus merit special attention.

16. Poverty appears to be disproportionately female, to the point that strategies to combat gender inequalities would need to be central to successful poverty reduction. Evidence based on some indicators of the gender gap for different regions shows that for developing countries as a whole the adult literacy rate is 16 percentage points higher for men than for women; female school enrolment — even at the primary level — is 13 per cent lower than male enrolment; and women's share of earned income is a third of the total.[5] Women are more likely to fall into poverty because they continue to encounter discrimination across the board, in education and training, and in employment and earnings.

17. Around the world, women on average earn about two thirds of average male wages. The wage gap is attributable to several factors: lower human capital, job discrimination and wage discrimination. In general, about one third of the wage gap is due to differences in education, work experience and other variables related to qualifications, marital status and

hours of work. The remaining two thirds of the wage gap between women and men cannot be explained or justified by such differences.

18. Women also remain more likely than men to do work that is not recognized in the System of National Accounts, 1993,[6] principally unpaid housework and caring. Typically, women work 30–40 additional hours a week doing housework, compared with 5–15 hours for men. If all of women's work both in the labour market and in the home were included in national accounts, global gross national product (GNP) could increase by as much as 25 per cent.

19. Another important factor to be taken into account is that women's labour force participation has not only increased, but also come to dominate labour-force growth in many countries. Women have provided the bulk of new labour supply in both developed and developing countries over the past two decades. ILO employment data show that women's labour-force growth since 1980 has been substantially higher than that for men for every region of the world except Africa. Moreover, in most parts of the world, a high share of total labour-force growth is due to the growth of women's employment.

20. While this trend would appear to reflect the closing of the gender gap in employment, the new and enlarged role of women in the labour market has not always been an entirely positive development for women. They do not have equal access to better jobs that would give them opportunities for career advancement. Indeed, the increase in women's employment has not been matched by increase in quality of employment available to women. Typically, more women than men are found in the expansion of the informal sector and precarious forms of employment, such as dependent home-based work or temporary or casual employment. In export-oriented sectors, and particularly in the export processing zones (EPZs), employment has been primarily, if not exclusively, female because of the cheaper wages and the unorganized nature of the workforce often associated more with female, than with male, labour. Nevertheless, EPZs have opened up opportunities for wage employment for women, thereby increasing their employability as well as improving their position in the household.

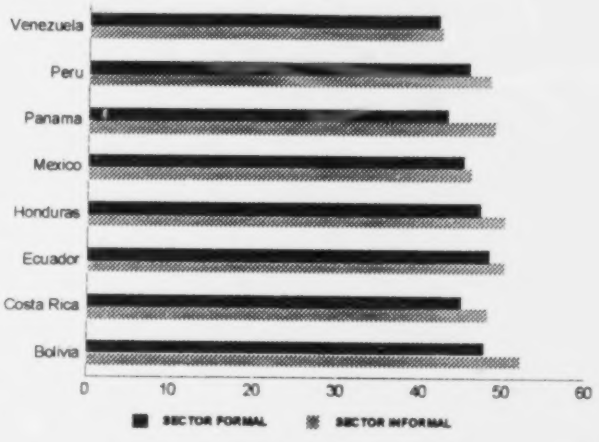
21. In most countries, women are perceived to remain more loosely attached to the labour force than men. In order to accommodate their role in caring for the family, many women work shorter hours than men and for shorter periods, with greater interruptions in labour force participation. Furthermore, there are fewer women than men in higher-level and decision-making positions. Occupational segmentation by sex not only cuts across different levels of economic development, but is also evident across a wide spectrum of political, social, religious and cultural groups. This horizontal and vertical segmentation implies an underutilization of human resources; labour-market rigidity; and male-female wage differentials, hence lower income levels.

C. Emerging forms of employment and poverty

22. The informal sector serves as a buffer against unemployment in times of economic downturn, allowing an increasing share of the population to earn a livelihood from the sector rather than stay openly unemployed with no income. The sector has also played a key role in cushioning the adverse impact of economic crises. During the past two decades, informal sector employment has increased throughout the developing world, and more women than men have entered the sector. However, employment in the sector is characterized by low levels of productivity and income, and jobs could be precarious.

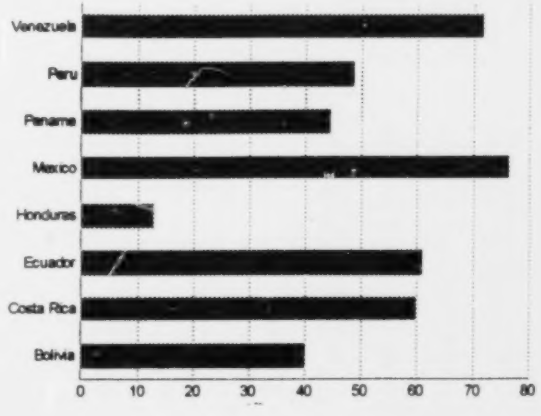
23. Data on earnings in 1996 for a representative group of countries in Latin America reveal that average earnings of informal sector workers were half of those of blue-collar and white-collar workers in modern sector establishments. Furthermore, working hours were longer for informal sector workers (figures I and II). It is likely, given the large number of women in the informal sector in this region, that the burden and negative effects of longer working hours affected women (in addition to the burden of domestic work) more severely than men.

Figure I. Informal sector workers: weekly hours worked (Average)



Source: International Labour Organization, *Labour Overview 1996* (Geneva, 1996).

Figure II. Remuneration per hour: informal sector/formal sector (Percentage)



Source: International Labour Organization, *Labour Overview, 1996* (Geneva, 1996).

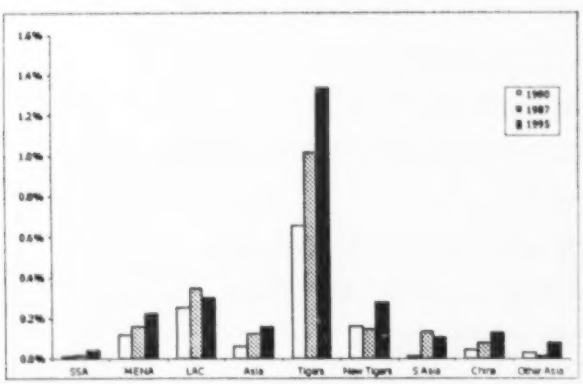
24. The past two decades have witnessed the emergence of "non-standard" forms of work in some sectors, which used to be characterized by regular wage employment. Among these, the most important numerically have been part-time employment and temporary work. They usually offer lower levels of social security coverage and of employment rights than regular jobs. Part-time and temporary work is also usually associated with lower wages and limited training opportunities or career prospects. Many forms of non-standard jobs expose women and men to employment and income insecurity, and pose a real risk of marginalization in the labour market. Though non-standard or sub-standard temporary and casual work is preferred by some workers because of its flexible hours and greater compatibility with family responsibility, for many others it may not be compatible with their employment needs and aspirations.

D. The skills gap

25. The World Bank's ***World Development Report 1998/99: Knowledge for Development***[7] has highlighted the role of knowledge in development by comparing the diverging growth paths of two countries that had similarly low incomes per capita in the 1970s. By 1991, however, one country's per capita income was more than seven times that of the other. Much of the gap cannot be explained by differences in investment rates alone; rather, an important part of the explanation lies in differences in human capital and other factors related to knowledge acquisition and innovation between the two countries.

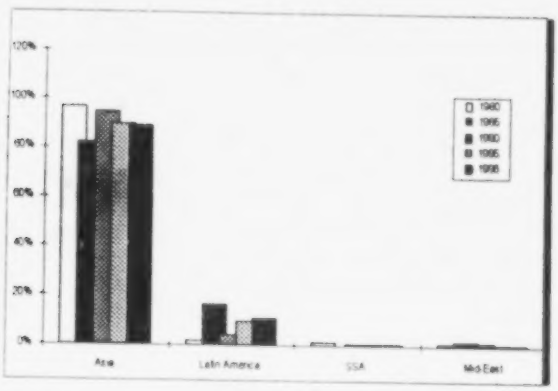
26. Adequate response to the opportunities created by globalization will largely depend on the distribution of skills between countries and among groups within the same country and between women and men. As figure III shows, skills are highly unequally distributed between regions of the world, with the lowest levels in sub-Saharan Africa. The growing role of technology in the context of trade liberalization has meant an increasing share of world trade for those regions with high skill endowments in high technology, high value-added exports (figure IV).

Figure III. Tertiary technical enrolment in developing regions (Percentage population)



Source: S. Lall, 1998.

Figure IV. Share of high-tech exports by developing regions (Percentage)



Source: S. Lall, 1998.

II. Policy issues

27. In view of the persistence of poverty in many developing countries, there is a need for a concerted effort to define an effective strategy for poverty reduction that also promotes gender equality. Such a strategy should have four major building blocks. First, in order to reduce poverty through enhancement of productive employment opportunities, it is necessary to have fast, sustained, employment-intensive and human-centred growth. This leads to the consideration of macroeconomic policies at both national and international levels. Second, at the microlevel, poverty eradication strategies should aim at improving market outcomes for the poor in general and disadvantaged socio-economic groups in particular. Third, public policies should provide the enabling environment for the efficient functioning of markets, and seek to correct market distortions and imperfections, which militate against equity and social protection. Finally, participation by the poor based on the recognition of their fundamental rights can accelerate social progress, and in turn reduce poverty through improved access to employment and socio-economic opportunities for all.

A. Macroeconomic policies and poverty alleviation

28. Experience has shown that sound macroeconomic policies provide the function for an appropriate policy mix that would facilitate increased demand for labour and ensure redistribution in favour of the poor and vulnerable groups, and thereby be effective in reducing poverty. An appropriate macroeconomic policy framework for reducing poverty and promoting equality should, *inter alia*, meet the following three conditions, that is to say:

(a) Achieve fast, sustainable and stable growth;

(b) Ensure that growth is employment-intensive, balanced and gender-sensitive;

(c) Create conditions to reduce vulnerability to short-term shocks.

1. The central role of growth

29. Although economic growth is not the only requirement for poverty reduction, poverty tends to fall with growth in average income and consumption levels. However, initial distribution of incomes does matter in determining the share of the poor in rising average incomes; higher initial inequality tends to reduce the impact of growth on absolute poverty. Economic growth, though a necessary condition for poverty reduction, is nevertheless an insufficient one.

30. Significantly, gender equality is likely to enhance economic growth overall. In Africa, gender inequality in employment opportunities is estimated to have accounted for a reduced annual per capita growth of 0.7 per cent between 1960 and 1992 (see box below). Eliminating gender discrimination in economic opportunities and pay would increase both women's income and gross domestic product (GDP). Thus, ***the objective should be to mainstream gender equality in macroeconomic policies and adopt targeted public policies that promote gender equality.***

Gender and growth: missed potential

Recent studies have examined the linkage between gender, growth and poverty reduction in the context of sub-Saharan Africa. It is argued that one of the factors constraining growth and poverty reduction in sub-Saharan Africa is gender inequality in access to and control of a diverse range of assets. For example:

(a) **Burkina Faso:** Shifting existing resources between men and women's plots within the same household could increase output by 10–20 per cent;

(b) **Kenya:** Giving women farmers the same level of agricultural inputs as men would increase yields obtained by women by more than 20 per cent;

(c) **United Republic of Tanzania:** Reducing time burdens of women could increase household cash incomes for smallholder coffee and banana growers by 10 per cent, labour productivity by 15 per cent and capital productivity by 44 per cent;

(d) **Zambia:** If women enjoyed the same overall degree of capital investment in agricultural inputs, including land, as their male counterparts, output could increase by up to 15 per cent.

Source: "Gender, growth and poverty reduction", 1998 report on poverty in sub-Saharan Africa (World Bank, 1999).

31. Since the aim is to reduce global poverty by half by the year 2015, an important element would be high rates of economic growth. In its 1997 report, the Organisation for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) showed that ***GNP per capita growth should double in the poorest countries between 1995 and 2015 to reduce poverty incidence by half.*** UNDP has estimated that in order to reduce poverty significantly over the next two decades, developing countries need to grow at a rate of about 6 per cent per annum. Thus, ***a trend rate of growth of 6 per cent per***

annum for developing countries may be regarded as the minimum socially necessary rate that would both reduce poverty significantly and meet the employment needs of a rapidly growing labour force.

32. A substantial increase in real world demand is a key element in a strategy to increase world employment and production levels, particularly in the present global experience. Faster economic growth in rich countries could help those countries as well as the poorer developing countries, through increased demand for exports, which should lead to faster output growth and employment. This, however, implies the right types of international and national policy environments.

33. It is important to realize that increasing the growth of *real* demand today is not a matter simply of instituting expansionary fiscal and monetary policies. It involves a much more complex and difficult task, given the conditions of increased competition in a globalized world economy. Policy makers must try to ensure that growth is of the right kind; that is to say, it should be non-inflationary and stable and should create work and benefit the poor, in particular women. It is therefore necessary to strike a balance between the desire to control inflation, on the one hand, and the need to correct structural weaknesses and economic imbalances, as a means of stimulating faster growth, on the other. While countries have the primary responsibility in formulating and implementing development policies, they can be helped by an enabling environment, especially on matters pertaining to trade, finance and debt.

2. The design of policies for employment-intensive growth

34. For growth to be employment-augmenting, macroeconomic policies need to be employment-intensive: a good sectoral mix in investment can help to maximize employment creation. In developed economies, the predominant employment concern frequently is an increasing rate of open unemployment. By contrast, in developing countries the problem is often low productivity, low wage employment or underemployment. Thus, an effective development strategy would need to take into account the complex interrelationship among growth, employment and productivity, in light of specific national conditions and levels of development.

35. The productive sectors play a leading role in determining productivity and employment outcomes. Rapid growth in key sectors with high employment potential may lead to a situation where overall productivity growth is positively related to employment generation. While the industrial sector could be significant in this regard, one must be aware that an important element of a poverty reduction strategy is the promotion of the agricultural sector (especially non-traditional agricultural exports), which employs most of the poor. Access to markets and improved marketing arrangements could promote competition and increase production for export. Therefore, ***the targeting of key economic sectors could be a viable strategy for employment-intensive growth, with reforms of the incentive system (prices, wages, exchange rates and interest rates) effected in such a way as to shift resources to those sectors while avoiding cost distortions which could reduce competitiveness.***

36. In many developing and transition economies, strategies for ***stimulating the development of small and medium-sized enterprises can encourage employment creation and lead to poverty reduction.*** These types of enterprises need an appropriate enabling legal and regulatory framework, a properly adapted tax regime, and policies to help with access to credit. ***Entrepreneurial training,*** especially among women, should receive appropriate attention.

3. Reducing vulnerability to short-term shocks and mobilization of resources

37. Economic instability, not to mention the crisis conditions that have occurred recently in East and South-East Asia, Brazil and the Russian Federation, has serious short- and long-term repercussions, particularly for the most disadvantaged groups of the population, including women.[8]

38. In addition to the need to design appropriate policy responses, a crucial condition for achieving stability and resumed growth is the mobilization of resources. Domestic resource mobilization is essential; however, additional external resource flows would be necessary to achieve these objectives. While developing countries that have received large foreign direct investment (FDI) and other capital inflows have achieved high growth, they have also been subject to extreme downside risks of volatile capital movements. Thus, ***what developing countries require for growth and long-term development is improved access to long-term investment capital. This can be achieved through an appropriate mix of policies designed to attract investment capital, while regulating volatile short-term capital flows. The poorest and least developed countries require higher levels of concessional finance, including official development assistance (ODA), on a sustained long-term basis and a halt to large reverse transfers occurring through debt servicing, depressed commodity prices and weak terms of trade.*** As stated below, a major concern of developing countries is the restrictiveness, inflexibility and limited scope and coverage of the heavily indebted poor countries (HIPC) and other recent debt-relief initiatives.

B. Improving market outcomes

39. While the design of a macroeconomic policy framework that ensures fast, stable, employment-intensive and gender-balanced growth is indispensable, consistent micro-policies are also essential components of an anti-poverty strategy. Improving market outcomes for the poor and vulnerable implies improved access to factor markets for men and women: labour, assets and credit, as well as increased returns to labour, the major asset of the poor. This is vitally important in the context of globalization, where skill endowments are crucial for determining the distribution of income among countries and between different groups within countries and between women and men.

1. Labour markets: do they include or exclude the poor, especially women?

40. A major determinant of poverty is the lack of access by the poor to factor and commodity markets, as well as the terms on which they access these markets. There are various reasons for such discrimination against the poor in terms of market outcomes. First, and most important, is the lack of the skill and knowledge that can enable the poor to participate in economic activity. Second, labour-market segmentation can discriminate against the poor on the basis of skill, sex or race. That these are ultimately reflected in low returns to the poor keeps them trapped in a cycle of poverty.

41. Labour-market outcomes in many instances discriminate against the poor and against women in particular. An effective anti-poverty strategy should therefore aim at correcting inequality and gender biases. Differences in labour-market outcomes and in particular income between men and women can result, on the one hand, in social inequality and, on the other, in an inefficient labour market, with underutilization of women's labour and lower levels of output overall.

42. Improving market outcomes for the poor would require a multi-strand policy. First, ***enhancing the capabilities of the poor, particularly through health, education and skill***

formation, must become an explicit objective of public policy. Second, ***a conscious policy of women's empowerment would be a precondition of removing labour-market segmentation.*** Furthermore, ***a proactive gender policy would require increasing girls' education thus improving their attachment to the labour market; removing wage differentials both in legislation and in practice; removing gender bias from the tax system; improving access to training; reforming the legal frameworks that inhibit access to high-level and decision-making occupations; and strengthening the coverage of social security and social safety nets for women, particularly those in precarious situations and in times of crises, especially female heads of households.***

2. Informal and non-standard employment

43. The debate on appropriate policies towards the informal sector remains inconclusive.[9] On the one hand, the informal sector serves a useful purpose as a "sponge" in absorbing surplus labour and providing goods and services for lower-income groups; on the other, informal sector employment is regarded as a survival strategy for the poor for lack of a better alternative. Policy advice therefore ranges from action to improve productivity and income levels in the sector so as to support its expansion and upgrading, to the provision of support through direct resource transfers to the sector. The situation is further complicated by increased informalization as a result of deregulation.

44. One policy approach for the informal sector could aim at both increasing effective demand for informal sector goods and services and raising productivity and income levels in the sector. This will include ***measures aimed at improved access to credit, especially microfinance*** (for example, Grameen and Bancosol); ***linking financial services to skill development training; and providing extension services, especially on technology and marketing. The poor, with special attention to women, should be given improved access to productive resources such as credit, technology and marketing techniques to facilitate entry into viable self-employment businesses.*** Furthermore, the ***stimulation of effective demand overall could serve to strengthen economic linkages between the informal and formal sectors of the economy.***

45. Given the increasing share of non-standard forms of work in total employment in many poor developing countries, a critical policy issue relates to the fact both that this form of employment is precarious and that it constitutes the sole basis of a livelihood and the possibility of breaking out of poverty. This is particularly important in the case of women for whom part-time and flexible forms of work are prevalent. Another policy issue relates to the implications of these types of employment for equality and job security. Naturally, to improve conditions of non-standard employment and offer job security would require finance and incentives, but these should be seen in terms of the ultimate goal of providing social protection to vulnerable and insecure groups in the labour force.

C. The role of public policies

46. In addition to sound macroeconomic management and micro-interventions, there are at least three areas through which public policies can contribute to poverty reduction. These include:

(a) Reallocation of public expenditure (human capital formation in education, health and skill formation);

(b) Adoption of gender-sensitive policies for promoting employment and reaching gender equality;

(c) Extension of social protection through social safety nets.

1. The role of public expenditures on human development in poverty eradication

47. Investment in human capital formation including education, health and skill formation has proved to be a crucial element in any effective strategy for poverty eradication. The poor, who by definition are asset-poor, rely on their labour to earn income and participate in the community. Lower human capital endowments constrain their capability. It has been observed that, "the significant transformation that has occurred in recent years in giving greater recognition to the role of ***'human capital'*** is helpful for understanding the relevance of the capability perspective. If a person can become more productive through better education, better health, and so on, it is not unnatural to expect that she can also directly achieve more — and have the freedom to achieve more — in leading her life. Both perspectives put humanity at the centre of attention".[10] However, for increased social spending to have a positive impact on poverty, such spending should be consistent with efficiency criteria including intersectoral distribution.

48. Public expenditure on human capital formation should be one of the cornerstones of an anti-poverty strategy. This will have policy implications at both the national and international levels. At the national level:

- ***Fiscal policy should avoid compression of expenditure on health, education and skill formation, even under conditions of budgetary constraints.*** In this regard, progress has been made in many developing countries where public spending on education and health has increased against a background of fiscal adjustment under IMF-supported programmes.[11] At the same time, unproductive public expenditure, such as excessive military spending, should be avoided or reduced;
- ***Distribution of such public expenditure should favour the poor, especially women. Active policies and programmes are needed to overcome gender discrimination;***
- ***Targeting poor groups, poor regions and women and girls makes sense according to both efficiency and equity criteria.***

49. ***At the international level, a main objective of development assistance should be to support national efforts for sustained human capital formation. In the interested countries, the 20/20 initiative is particularly relevant in this regard.***

2. Gender-sensitive public policies for employment promotion and poverty eradication

50. Human capital endowments strongly influence labour-market outcomes with respect to employment and income levels. The household is the locus of decision-making for investment in human capital in many developing countries: health, nutrition, education, training, work and leisure. Such decisions are mediated by social norms and conventions, by access to resources and by perceptions of the market. In most countries of the world, women earn on average one third less than men, so that household and individual return on investment in girls is less than for boys. With scarce resources, households tend to favour boys, and this becomes self-reinforcing: the less the household invests in girls, the lower the returns, and the less the incentive to invest.

51. What is useful for the household is not always useful for society, however: investment in the education of girls has one of the highest returns of any development investment. There is ample research to show that girls with better education not only strengthen their economic welfare by improving their employment and income opportunities but also provide a number

of additional benefits for the entire family: fertility declines, and children who are better fed have better health and lower mortality and are, in turn, more likely to go to school themselves, and have fewer children. Gains in women's education lead to increases in women's participation in the formal labour force — one extra year of education increases female labour force participation by three years — and increases their productivity. This, in turn, reduces discrimination against women (whereby an employer is less likely to hire or invest in women because most women have a looser attachment to the labour force), and also strengthens the incentives for households to invest in girls' education. The policy implications are clear: ***poverty alleviation can be more effective when directed to overcoming the imbalance between public and private gains through investments in the human capital of girls, in particular girls' education.***

52. There is a wide range of other policy measures to address poverty by eliminating gender disparities in the labour market. Equal pay and non-discrimination often call for legislative intervention. Protective legislation, originally intended to protect women and their future progeny from the harmful effects of employment, has increasingly come to be seen as an impediment to labour efficiency and a restriction on women's labour-market options. ***Removing such restrictions on women's work in certain professions, for example, mining, or at certain times, such as on night shifts, can significantly increase women's labour-market options. Worker protection is better addressed through health and safety regulations for both sexes.***

53. In the coordination of family and employment policy, maternity and child-care leave legislation present a special case. Where employers, rather than social insurance, are paying the bill for maternity and child-care leave, the effect is a maternity tax on all women. Men become less costly to hire, and the end result is discrimination against women in the labour market. ***Broadening child-care leave to cover either parent, and providing the funds from social insurance are necessary (but not sufficient) to overcome part of this discrimination. Specific anti-discrimination legislation needs to accompany these measures.***

54. Equally important is the availability of day-care facilities while parents work, whether provided by the public or the private sector. Recent research suggests that ***subsidizing childcare is substantially more effective in increasing maternal employment and household welfare than wage subsidies or family allowances.***

55. In facilitating women's participation in the labour market, tax legislation can play a significant role. ***Lowering marginal tax rates for a second income to the household can provide a stimulus to married women's labour-market participation.***

56. Women's looser attachment to the labour market and their role in household maintenance and childcare call for ***special attention to gender in the design of social insurance.*** In addition, certain types of female-headed households, mainly those with a single earner and one or more dependants, are especially vulnerable to poverty on account of lower pay levels for women, higher dependency ratios and the need for childcare to allow employment. ***Unemployment policies and programmes similarly need to address gender specifically, because women's unemployment risk and duration differ significantly from those of men in many countries.***

57. Wage differentials and women's looser attachment to the labour force ultimately translate into pension gaps as workers age: women receive lower pensions than men. Elderly, single-female households have high risks of poverty in both developed and developing countries which may require attention in respect of designing social assistance programmes.

3. Extending social protection through social safety nets

58. The best form of social safety net is provided by full employment. Hence, ***the primary focus of action by Governments and international assistance should be on policies to generate full employment in the first place.*** However, in the absence of full employment, and in situations of slow growth, the need for social protection can hardly be overemphasized. The Asian crisis has shown that countries with inadequate social protection systems tend to undergo greater social and economic instability, and face greater difficulties in weathering the adverse social outcomes of crises. It is evident from the experience of the crisis-affected countries of Asia that even rapid economic growth does not automatically guarantee equitable distribution or social protection. ***A social protection system, in its broad elements, needs to be progressively introduced in the face of increasing job and income insecurity.*** Ideally, such systems should be cost-effective and financially viable, as well as administratively manageable. They should also be targeted at the poor and vulnerable.

59. The concept of social protection must be incorporated into a comprehensive employment policy framework, which should be concerned not only about creating jobs in normal periods of steady economic growth, but also — and very much — about dealing with the consequences of rapid job loss during economic crises and periods of restructuring. An important means of providing income security for workers who lose their jobs is through the introduction of unemployment benefits. Feasibility studies carried out recently by ILO suggest that a system of unemployment insurance can be established at a very modest level of payroll taxes, can be largely self-financing and can provide critical income support after job losses even during a major economic crisis. In addition to unemployment insurance, it will be necessary to expand systems of social assistance to provide basic income support for those on the fringe of the modern sector and the informal sector. Such income support could include income in kind and subsidies for essential goods as well as improved access to basic social services. However, for many developing countries, the implementation of such safety net policies would pose considerable difficulties in terms of resources and organization. It is in this regard that improved access to international capital flows, especially investment resources and technical assistance from the United Nations system, becomes critical.

60. The poor usually respond to risks from shocks to their income-earning capacity with a series of ingenious market and non-market mechanisms, but these are not enough. Longer-term solutions must ensure greater access to productive assets, such as land, livestock and credits. Helping to build up these assets is a key policy in providing security to the poor. Opening up trading opportunities, through infrastructure development, for example, can help to increase the security of the poor through providing avenues for diversification. Labour-based schemes — public works and unemployment insurance in some combination, depending on the country — are central to providing security against risks for the poor. The key to these and other non-labour-based schemes is to design programmes so that they maintain their function of providing insurance for the poor and are not captured by others.

61. In addition to addressing the employment situation of women, there is need in many countries for improvements in the design of labour-market policies and programmes to enhance employment opportunities of other vulnerable groups: (a) ***young people*** of working age who continue to face unemployment or limited prospects for engaging in activities that provide sustainable livelihood; (b) ***older workers*** who face obstacles to continued employment, while at the same time lacking adequate social protection in the form of social security and pension upon retirement; and (c) ***persons with disabilities*** who may face discrimination in the labour market and negative stereotyping, and may yet be denied practical assistance to help them obtain employment in the "open market", or other

alternative form of employment. For these people, targeted transfers schemes based on community-level monitoring are the best mechanisms.

62. ***An objective of social policy should be the setting up of a well-functioning and equitable social safety net system. There is an urgent need for transfer of experience in the design and institutionalization of such systems taking into account the specific conditions of different countries.*** An important institutional requirement for the efficient functioning of the labour market encompasses free organizations of workers and employers which have an important role to play in strengthening democracy and in promoting social consensus on reform issues. In addition, ministries of labour and social affairs need to adapt their structures and policies to the requirements of a competitive labour market. This underpins the importance of developing administrative capacity to design and implement sound policies in specific national contexts.

D. Rights and voice

63. A sustained reduction in poverty through growth and employment can occur and continue only if it is accompanied by social progress. The Constitution of ILO made the point in 1919.[12] Since then and most recently, very clear pronouncements have been made and endorsed by a broad range of countries in an equally broad range of forums, including the World Summit for Social Development[13] and ILO through its new Declaration on Fundamental Principles and Rights at Work adopted by the International Labour Conference at its Eighty-sixth Session, Geneva, 18 June 1998.[14] These most recent expressions join an important list of international instruments setting out the same principle: ***complementary steps taken to promote social justice can hasten the improvement of the human condition through the overall generation of wealth.*** The elimination of poverty and the improvement of the human condition are also important elements of the overall aims of the International Covenant on Economic, Social and Cultural Rights (see General Assembly resolution 2200 A (XXI), annex), the Convention on the Elimination of All Forms of Discrimination against Women (General Assembly resolution 34/180, annex), the Convention on the Rights of the Child (General Assembly resolution 44/25, annex) and the 1986 Declaration on the Right to Development (General Assembly resolution 41/128, annex).

64. The question confronting policy makers is how the rights implicit in these various pronouncements and instruments can be applied to help in accelerating social progress and, in turn, reducing poverty through employment. ***First and foremost, the promotion of basic human rights must serve to empower the very people whose rights are at issue.*** Participation and empowerment of the poor, especially women, with respect to development efforts are made possible by their effective organization. Thus, policies are needed to promote their freedom of association and their ability to bargain collectively. Improved productivity and "smart management" become possible only when workers have an effective voice in the workplace.[15]

65. From experience in employment- and income-generation schemes, it is clear that there are tremendous implications to the denial of these rights. Without the possibility of legal organization, for example,

- Systematic consultation and negotiation is difficult if not impossible;
- Possibilities for extending access to credit, technical assistance and/or training as well as to assets and justice is hindered;

- Involvement in the formulation, implementation and evaluation of development programmes are constrained.

66. Finally, ***the institution of a tripartite structure at the national level would increase social dialogue, thus facilitating policy-making. The role of women within legal organizations, including labour unions, should be emphasized to ensure that women's voices are heard in the social dialogue.***

67. If employment is to reach the marginalized poor, who are often women, ***policies aimed at eliminating all forms of discrimination must be in place and implemented.***[16] Consequently, one of the ILO's core labour standards addresses discrimination as indicated in the recently adopted Declaration on Fundamental Principles and Rights at Work. Thus, the Declaration states that "the elimination of discrimination in respect of employment and occupation" must be respected, promoted and realized by all member States, in order to "ensure equity, social progress and the eradication of poverty".

68. The principle of non-discrimination is reinforced by the far-reaching scope of the standard enunciated in the Discrimination (Employment and Occupation) Convention, 1958 (No. 111). This convention states that at least two types of action are required: first, that all discrimination based on sex, among other things, inhibiting access to employment, occupation and training, must be progressively eliminated; and second, that positive actions are to be taken to remedy earlier discrimination against women.

69. International human rights standards that touch on labour matters — those both of the United Nations and of ILO — have poverty eradication as an overarching objective; but they do not, per se, oblige States to eradicate poverty. It follows that the supervision of international standards does not ask States to demonstrate the eradication of poverty. Thus, there is no opportunity for international supervisory mechanisms — the ILO Committee of Experts on the Application of Conventions and Recommendations, the Committee on the Elimination of Discrimination against Women or the Committee on Economic, Social and Cultural Rights — to comment upon poverty eradication measures, per se.

70. There are standards that do, however, oblige ratifying States to undertake what experience has shown needs to be undertaken so as to develop employment as a means of eradicating poverty. This includes standards that oblige undertaking action to empower and advance women and other groups in ways that enhance the poverty eradication impact of employment. By sharply focusing on such actions, these international standards can be useful in formulating, sustaining and monitoring poverty-eradicating policies. Moreover, since international standards do create explicit obligations and an implicit right of citizens to benefit from their own country's international undertakings, there is wisdom in making this linkage. This is what a rights-based approach should be designed to achieve. For example, the ILO Employment Policy Convention, 1964 (No. 122), sets out what is known by all working in the field: without a commitment to an active employment policy based on national conditions and circumstances, solutions to poverty through employment are unlikely to be found. Similarly, the ILO Human Resources Development Convention, 1975 (No. 142), requires the ratifying State to adopt and develop comprehensive and coordinated policies and programmes of vocational guidance and vocational training, closely linked with employment. The collection of accurate and timely labour-market information needed to understand the structure of national employment is the object of the ILO Labour Statistics Convention, 1985 (No. 160).[17]

71. The examples above clearly illustrate the potential of the standards to provide a normative framework for social policy-making.

72. A case has been made here for international labour standards and human rights declarations to inform social policy-making. Admittedly, this is a controversial area, as it involves difficult trade-offs. However, historical experience has shown that, in the long run, respect for rights is consistent with improved and sustained social progress. ***A combination of national and international policies is required to promote the rights-based approach described above without introducing new conditionalities or using these standards and norms as a pretext for new protectionism. At the national level, legislation must take into account the need to apply these standards. The ILO Declaration on Fundamental Principles and Rights at Work provides a realistic framework for such a policy. At the international level, effort is required to enable developing countries in particular to bridge the gap of "social deficit". This can only be achieved through a programme of assistance to develop a promotional approach to the institutionalization of rights and organizations, especially for the poor and women and men alike.***

E. Policies at the international level

73. The large income inequalities at the international level are also an impediment to poverty reduction efforts. It is thus important to sustain progress towards a more open, rules-based, world economy characterized by free flows of trade and foreign direct investment — more widely distributed — and increased financial flows. This implies the creation of an international enabling environment for more balanced and widespread human-centred growth in the world economy. Imbalances in growth and distortions of markets at the international level are as much an obstacle to poverty reduction as those at the national level. Major developed countries whose policies shape the international environment more than others have the largest responsibility to help reduce such imbalances and distortions.

74. A more free and open world economy means that the vast differences in expenditures on human capital formation in rich and poor countries should be steadily resolved. Increase in the free movement of capital, goods and services should be accompanied by an equally free movement of people and the elimination of market-distorting policies should be pursued by all countries.

75. As regards open trade, it is now widely recognized that exports have a higher job creation propensity and that jobs related to exports pay on average higher wages than other jobs. Therefore, the opening of markets and expanding of exports are of great importance to economic growth and the creation of productive and remunerative jobs. Less widely recognized is that imports, too, contribute to economic well-being and, indirectly, to more jobs. Imports linked to liberalization and expansion of trade can produce benefits for domestic consumers in terms of lower prices and wider choice. Similarly, domestic producers can benefit from lower costs and wider choice for imported inputs, thereby enhancing productivity, and increasing international competitiveness, which results in more jobs and higher wages.

76. However, if developing countries, particularly the poorest and least developed among them, are to benefit from a vibrant international trading system, especially in the context of increased globalization, trade should be not only open but fair. This will require elimination of barriers to products of export interest to developing countries, particularly the least developed and low-income countries.

77. For a large number of the least developed and low-income countries, particularly in Africa, severe debt burdens represent an obstacle to productive investment in human resources and job creation. The unsustainable debt positions of these countries need to be

addressed and solved in the context of the economic reform and adjustment. Relief for heavily indebted poor countries (HIPC) through the World Bank/IMF initiative is a step in the right direction. In addition, financial support for these countries' fiscal and social objectives needs to be increased.

78. Recent financial crises and increasing turbulence in international capital markets are having a negative impact on employment. Millions of workers mainly in developing and transition economies are losing their jobs and being forced into poverty and exclusion. The current efforts to strengthen and adjust the international financial architecture need to address development concerns, which go beyond stability in markets, along with greater transparency in institutions, countries and markets; and better regulation of short-term capital flows.

F. Partnership with the civil society and the private sector

79. Private sector corporations and other organizations of civil society already play an immense role in development, and have a growing contribution to make. Partnership between the United Nations system and civil society including the business community has been given a boost more recently by the Secretary-General through specific initiatives and dialogues. In his address to the business community at the World Economic Forum in Davos in January 1999, the Secretary-General proposed a "global compact" with business based on certain fundamental values enshrined in the principles and mandates of the United Nations system and said: "Creating wealth, which is your expertise, and promoting human security in the broadest sense, the main concern of the United Nations, are mutually reinforcing goals. Thriving markets and human security go hand in hand; without one, we will not have the other. A world of hunger, poverty and injustice is one in which markets, peace and freedom will never take root." Harnessing the global creative energies of these enterprises and organizations presents a major development challenge on the threshold of the new century.

III. Poverty eradication, a one-world problem: an agenda for action

80. Notwithstanding the progress made, and the commitments pledged, poverty continues to be the condition of one third of the world's population, most of them women. Human poverty and exclusion continue to deprive citizens of their basic rights to have a decent employment and participate in social and political life. On the understanding that, in many cases, women and men become impoverished through different processes and face different opportunities and constraints in accessing the labour market, it is necessary to focus on concrete gender-aware policy prescriptions concerning employment creation for poverty eradication.

81. Recent global conferences have highlighted human-centred economic growth; basic physical infrastructures; fundamental social services; access to work; land and credit; empowerment of women; food security; natural resources regeneration; good governance; and vulnerable groups as the priorities in efforts to achieve the overarching objective to eradicate poverty. An effective agenda for action would require a concerted effort at three mutually reinforcing levels: the national level; the multilateral system, in particular the United Nations and its specialized agencies including the Bretton Woods institutions and the World Trade Organization; and bilateral donors. The elements of such an agenda build

upon previous commitments and the work undertaken within the United Nations system, especially the Administrative Committee on Coordination (ACC) statement of commitment for action to eradicate poverty (22 June 1998)[18] and follow-up work undertaken by the Consultative Committee on Programme and Operational Questions (CCPOQ) in September 1998.[19] These elements are outlined below.

A. The national context: the need for renewed and specific political commitments

82. National Governments have the primary responsibility for poverty eradication. All the countries of the world have approved the declarations and programmes of the global United Nations conferences. A survey by UNDP found that significant progress in laying down the basis for implementation of the commitments contained therein has been made, but much remains to be done.[20]

83. The starting point for action at the country level is a renewed commitment to specific targets for poverty reduction and the adoption of policies to achieve such objectives. ***It is proposed that all interested Member States embrace the 20/20 initiative and also adopt a set of concrete targets for poverty reduction by the year 2015,*** such as those declared by the Development Assistance Committee of OECD. These targets include a commitment to reducing extreme poverty by half, but also to achieving universal primary education, eliminating gender disparity in education by 2005, reducing infant and child mortality by two thirds, reducing maternal mortality by three fourths and achieving universal access to reproductive health services. These are all measurable indicators of poverty reduction. The outcome targets specified in the OECD DAC goals would be very difficult to achieve unless progress is made towards achieving the input target underlying the 20/20 initiative. However, progress so far in achieving related targets, since they were first set at the World Summit for Children (1990) and then endorsed at the World Summit for Social Development, has been too slow.

84. Governments should commit themselves to implementing the Beijing Platform for Action and to taking steps to ratify the Convention on the Elimination of All Forms of Discrimination against Women and relevant ILO conventions and their implementation, with the aim of removing legal obstacles and socio-economic biases to equality, including in employment and work.

85. More specifically, ***a people-centred and gender-sensitive development strategy should be put in place,*** with emphasis on the following components:

(a) ***Policies and institutions should be designed for rapid, sustained, human-centred and sustainable economic growth;***

(b) Countries should commit themselves to ***a development strategy that recognizes the centrality of employment creation for both women and men as the most effective policy instrument of poverty reduction.*** The objective of achieving full employment should continue to guide macro- and microeconomic policies, with particular attention to differential impact by gender;

(c) Governments should ensure ***the creation of equitable systems of social protection and safety nets to women and men alike, while paying attention to their differential impact.*** In particular, they should provide social protection for particularly vulnerable and marginalized groups of women workers (for example, female immigrant

workers, women in countries with economies in transition and least developed economies, and long-term unemployed and older women workers);

(d) Governments should provide ***employment security for women and men workers who are in part-time, contract, seasonal, temporary, casual or home-based work, and social assistance in kind for those engaged outside the formal sectors.*** As more and more women are obliged to go into these non-standard forms of work, the challenge is to ensure that such types of work are not sub-standard in terms of working conditions and social protection;

(e) ***There must be the institutional capacity to manage and deliver basic social services effectively to poor women and men, with full recognition of the important role of private and non-governmental actors and the participation of both men and women and their communities in the provision and distribution of such services.*** In all these actions, a deliberate effort should be made to promote effective women's participation;

(f) A powerful instrument at the disposal of Governments is budgetary allocations. ***Sufficient public funds must be directed to enhancing the capability of the poor, and analysing the impact of such allocations by gender.*** The provision of services to the poor in health and education requires particular attention. Increased access to education and training facilities, including entrepreneurship development training for women and girls, is necessary to ensure equal access with men to productive and remunerative employment opportunities;

(g) ***An equal employment opportunity policy, based on legislation that outlaws discrimination in employment and the labour market and ensures equal pay for work of equal value, must be adopted.***

B. The multilateral system: strengthening national capacities for poverty eradication

86. Recent changes on the world scene, including globalization, liberalization and recurrent crises, have created a new framework for international relations. This is a historic opportunity for the multilateral system — the United Nations and its specialized agencies including the Bretton Woods institutions — to assist in coping with these changes and innovatively enabling Member States to maximize their benefits from globalization and minimize vulnerability to the new types of insecurity that may threaten any potential progress.

87. Following the ACC statement of commitment for action to eradicate poverty, the organizations of the United Nations system should support, individually and through joint action where appropriate, the national poverty eradication strategy outlined above and help operationalize it. Specifically, ***the multilateral system should develop poverty eradication initiatives that combine the capacities and resources of agencies concerned with civil society and the private sector.*** Such initiatives could include the following components:

(a) ***Providing precise gender-aware assessment of the poverty situation by country;***

(b) ***Setting out the broad lines of macroeconomic policies that are consistent with a time-bound objective of poverty eradication within the context of accelerated human-centred and gender-sensitive growth.*** This approach would provide a consensus document to be used in policy advice to countries to strengthen their capacity for the design and implementation of macroeconomic policies consistent with employment-intensive growth and poverty reduction;

(c) ***Assisting Member States in establishing poverty eradication and monitoring units;***

(d) ***Helping Member States to set up cost-effective and equitable systems of social protection and safety nets, including the transfer of international experience;***

(e) ***Providing advice on enhancing the voice of, and representation by, the civil society, particularly women, through respect for human rights and core international labour standards;***

(f) ***Monitoring progress in poverty eradication and gender equality;***

(g) ***Assisting Member States in mobilizing resources, national and international, for the implementation of national poverty eradication strategies.***

C. The international community: enhanced development cooperation

88. ***The international community*** has a key role in poverty eradication by enhancing development cooperation as follows:

(a) ***Creating a coherent and consistent, pragmatic and pro-poor policy framework at the international level which can provide the basis for a more efficient allocation of resources in the world economy, and thus higher growth that is pro-poor, and from which all countries can potentially benefit;***

(b) ***Ensuring that poorer and marginalized countries on the fringe of the global economy are provided with international assistance and an enabling environment to facilitate and improve the conditions of their integration into the world economy. Such assistance could focus on improvements in education, training, technological research and development, and institution-building which are crucial for attracting foreign investment;***

(c) ***Recognizing that debt relief under the HIPC needs to be deeper, faster and broader. Adequate financing for such relief should be ensured and it should not be at the expense of ODA flows. This would require that the present decline in ODA flows should be redressed and donor countries commit themselves to increasing concessional flows to the least developed and low-income countries with a view to achieving the internationally accepted target of 0.7 per cent of GNP;***

(d) ***Encouraging longer-term capital flows to a large number of developing countries to support development objectives with the ultimate goal of the eradication of absolute poverty, mainly through improved access to productive employment and basic services, and integrating the social dimensions of development into policy objectives in the new international financial architecture. Provisions needed for social programmes and safety nets should accompany the instruments and means for reducing the volatility of financial flows.***

89. ***The time has come for a major rethinking of the approach to debt forgiveness,*** both by international organizations and by bilateral donors, with a view to providing immediate and full relief to the least developed low-income countries with unsustainable debt burdens, and strong anti-poverty, sustainable and people-centred development policies.

Notes

[1] See *Report of the World Summit for Social Development, Copenhagen, 6–12 March 1995* (United Nations publication, Sales No. E.96.IV.8), chap. I, resolution 1, annex I, sect. C.

[2] See *Report of the Fourth World Conference on Women, Beijing, 4–15 September 1995* (United Nations publication, Sales No. E.96.IV.13), chap. I, resolution 1, annex II, chap. IV, sect. A.

[3] Ibid.

[4] See *Official Records of the General Assembly, Fifty-second Session, Supplement No. 3* (A/52/3/Rev.1), chap. IV, sect. A, agreed conclusions 1997/2, sect. I.B.

[5] UNDP, *Human Development Report, 1997* (New York, Oxford University Press, 1997).

[6] United Nations publication, Sales No. E.94.XVII.4.

[7] New York, Oxford University Press, 1999.

[8] Studies of the survival strategies of low-income households during periods of structural adjustment show that the women members of these households respond to economic distress by increasing their labour force participation rate, as well as the hours and intensity of their non-market labouring activities. This implies that it is mainly the women who adapt their behaviour in an effort to maintain the real consumption level of the household. Moreover, women lose their jobs first and families pull their daughters out of school before their sons. The particular situation of adolescent girls becomes more uncertain when employment opportunities or further educational programmes are cut off, leading to pressure for early marriage, exploitation or harsh conditions of work.

[9] ILO, *The Dilemma of the Informal Sector*.

[10] A. K. Sen, "Editorial: human capital and human capability", *World Development*, vol. 25, No. 12 (1997), pp. 1,959–1,961.

[11] See *IMF Survey*, 8 March 1999, pp. 79–80.

[12] Universal and lasting peace (implying a reduction of impoverishment) "can be established only if it is based upon social justice" (sect. I of the ILO Constitution).

[13] The Copenhagen Declaration on Social Development called upon States to "reaffirm, promote and strive to ensure the realization of the rights set out in relevant international instruments and declarations, such as the Universal Declaration of Human Rights, the Covenant on Economic, Social and Cultural Rights and the Declaration on the Right to Development, including those relating to education, food, shelter, *employment*, health and information, *particularly in order to assist people living in poverty*" (commitment 1, para. (f)).

[14] In the 1998 Declaration on Fundamental Principles and Rights at Work, the ILO's member States (para. 2) declared that they had an obligation arising from the very fact of membership in the Organization, to respect, to promote and to realize, in good faith, the principles concerning the fundamental rights of freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour, and the elimination of discrimination in respect of employment and occupation (*ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up adopted by the International Labour Conference at its Eighty-sixth Session, Geneva, 18 June 1998* (Geneva, International Labour Office, 1998)).

[15] The ILO Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87), and Right to Organize and Collective Bargaining Convention, 1949 (No. 98), are two of the international standards dealing with these subjects (see ILO, *International Labour Conventions and Recommendations, 1919–1951*, vol. I, part I (Geneva, International Labour Office, 1996)).

[16] The United Nations Convention on the Elimination of All Forms of Discrimination against Women is a fundamental instrument in this regard. It is complemented by the ILO Discrimination (Employment and Occupation) Convention, 1958 (No. 111), and Equal Remuneration Convention, 1951 (No. 100).

[17] ILO, *International Labour Conventions* ..., vol. III.

[18] See E/1998/73.

[19] See ACC/1998/POQ/CRP.17.

[20] Almost 80 per cent of countries have gathered estimates of poverty and about 60 per cent have formulated plans to address it, but only 30 per cent have set goals for poverty reduction and eradication.